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NSC BRIEFING

6 September 1960

LAOS

- I. Crisis in Laos has not ended despite nominal return to constitutional government with investiture of patchwork Souvanna Phouma cabinet on 2 September.
- II. General Phoumi, after ostensibly settling differences with Souvanna at Luang Prabang conference where he accepted Interior Ministry post, now seems to be having second thoughts.
 - A. He apparently remains convinced Souvanna's policies are tantamount to turning Laos over to Communists, and claims he agreed to a settlement with Souvanna only to buy time.
 - B. He is back at his Savannakhet headquarters mulling over vague plans for resuming counter-coup efforts or setting up a separate state in southern Laos, possibly in federation with Thailand.
 1. There is historical precedent in the existence until 1946 of a kingdom in southern Laos.
 - C. Phoumi also fears for personal safety in Vientiane so long as Kong Le is in position of strength.
 - D. Phoumi's present attitude is mixture of indecision, injured pride, and extreme bitterness over what he considers abandonment by the US.
- III. Souvanna Phouma, meanwhile, is seeking a quick settlement with the Pathet Lao, and has called for early negotiations in Vientiane.

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- A. Pathet response indicates they will be hard bargainers. Their "minimum conditions" for such talks include:
 - 1. Removal of the "Phoumi clique" from the government.
 - 2. Cessation of fighting.
 - 3. Diplomatic recognition by Laos of bloc countries.
 - 4. Acceptance bloc economic aid.
- B. Souvanna seems already more or less committed to these conditions with exception of Phoumi's removal.
- C. Souvanna told US ambassador he wants Phoumi on his team, but is prepared dismiss him from government as rebel if he refuses come Vientiane.

IV. Picture in Laos is further complicated by shadow of Kong Le.

- A. Kong Le's forces, despite nominal capitulation to central authority, apparently retain control Vientiane area.
- B. Kong Le is sympathetic to Pathet Lao viewpoint and hostile to Phoumi's anti-Communist policies.
- C. As price for his continued support of Souvanna government, Kong Le may join Pathet demand for Phoumi's removal, despite his present reluctant acceptance general's inclusion in cabinet.

V. Outlook continues bleak.

- A. If Phoumi grudgingly returns government fold, Pathet Lao may react militantly.
- B. If he does not return, important moderating influence on Souvanna's policies toward the Communists will be lost.

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